

An Agency of the State of Hawaii

Members Absent

Nelson Oyadomari

Stadium Authority Meeting 99-500 Salt Lake Boulevard Honolulu, Hawaii 96818 April 24, 2008

Members Present

Kevin Chong Kee, Chairman

Kay Ahina

Marvin Fong

Kathryn Inouye

Alexander Kane, Jr.

Marcia Klompus

Kenneth Marcus

Alan Tamayose

Staff

Scott Chan

Shelly Shoji

Lois Manin

Shawn Nagata

Stephen Lee

Engel Garcia

Andrew Chang

Liane Nakagawa

Others

John Dellera, Deputy Attorney General Russ Saito, DAGS Comptroller Jim Donovan, UH Athletic Director Roger Reeves, Centerplate Davy Maruyama, Centerplate Sam Shenkus, Centerplate's Marketing Consultant Neumann Shim, Swap Meet Vendors Association Ashley Harding, Swap Meet Vendors Association

I. CALL TO ORDER

A quorum being present, Chairman Kevin Chong Kee called the meeting to order at 10:05 a.m.

II. APPROVAL OF MINUTES OF THE MARCH 27, 2008 MEETING.

ON A MOTION BY MEMBER FONG TO ACCEPT THE MINUTES OF THE MARCH 27, 2008 MEETING, AND SECONDED BY MEMBER AHINA, THE BOARD UNANIMOUSLY APPROVED THE MOTION.

III. MONTHLY REPORT

A. Chairman's Report

Chairman Kevin Chong Kee announced:

- 1. The Board will have a conference call between 10:30 and 11:00 a.m. with John Schoen, a candidate for the Swap Meet consultant.
- 2. Comptroller Russ Saito will give his report on Legislative Bills.

Comptroller Saito stated there are three Bills that are still surviving:

- 1. HB 2429 (Transferring the management of Aloha Stadium to the University of Hawaii Corporation). There are two versions the House Bill is in support of the transfer; and the Senate Bill requests that the University of Hawaii conduct a study for a new stadium. A conference committee was named, but to date no meeting has been scheduled. Comptroller Saito said it is possible that the bill will die.
- 2. <u>HB 3037 (Requesting an Emergency Appropriation to pay for electricity, sewers, etc.)</u> Stadium received approval for \$271,000.
- 3. SB 2434 (To change the selection procedures for the Stadium Authority)
 The Bill passed the conference committee. It will be forwarded to the
 Governor for a decision within 45 days.

Comptroller indicated that the Legislature is behind schedule and may have to extend the session due to budgetary issues.

Member Fong inquired about funding for the Stadium. Comptroller said the Stadium received a large portion of what it requested.

B. Stadium Manager's Monthly Report

Manager Chan made two announcements:

1. The Advertising Concession Invitation for Bid went out as scheduled on April 11, 2008 and published in five newspapers. It is also on the State Procurement website.

- 2. The conference call with Mr. Schoen will allow the Board an opportunity to address any concerns they may have regarding the scope of work if he is hired as the consultant. Centerplate will also be reporting on the C-Row promotion.
- 3. Several major events are scheduled during the next two months.

<u>Wowowee – May 10, 2008</u>

Tickets sales are slow and management is doing its best to assist the promoter in anyway possible to have a successful event.

<u>University of Hawaii Spring Football Game – April 26, 2008</u>
We are looking forward to this event, for the second year in a row.

<u>Graduations</u>

There are five graduations scheduled during the months of May and June.

Member Klompus referred to the monthly security report and suggested that Stadium Security Officer, Andrew Chang work directly with General Lee to speed up the process for the Homeland Security program.

C. Approval of Events

1. Hawaii National Guard
Departure Ceremony for the 29th Brigade and
Ashley's Guinness World Record Group Hug
August 17, 2008 (Sunday)

A MOTION WAS MADE BY MEMBER KLOMPUS AND SECONDED BY MEMBER AHINA TO APPROVE THE EVENT. THE MOTION CARRIED UNANIMOUSLY

2. Interscholastic League of Honolulu High School Football September 5, 13, 20, 26, 2008 October 4,10,18,24,30,2008 November 1, 6, 8,12,14,17,21,2008

A MOTION WAS MADE BY MEMBER FONG AND SECONDED BY MEMBER AHINA TO APPROVE THE EVENTS. THE MOTION CARRIED UNANIMOUSLY.

D. UHAD Monthly Report

Athletic Director, Jim Donovan thanked Manager Chan and staff for working closely with UH staff (Teri Chang and Coach McMackin) on the upcoming UH Spring Football Scrimmage (April 26, 2008)

E. Centerplate/Swap Meet Monthly Report (report distributed)

Davy Murayama, Swap Meet Manager, reviewed the monthly report and noted the attendance increased, partly due to an extra day of operations. Also noted there was no Sports Carnival this year; last year it was open for two weekends, which generated customer (buyer) revenue.

Mr. Murayama stated, although total attendance has decreased on both Wednesdays and Saturdays, eliminating coupons has increased paid attendance. However both paid attendance and total attendance has decreased on Sundays. More information needs to be collected by the consultant in order to determine why the Sunday attendance is continuing to decrease.

Although some vendors are opposed to having special events held at the Swap Meet, Centerplate feels the free exposure through the media far outweighs the reasons for opposition. Vendors believe the events reduce customer parking and distracts the customers from making purchases.

Marketing Consultant, Sam Shenkus presented a binder filled with newspaper articles of events held at the Swap Meet (back-to-school; pog contests, etc.). She noted paid advertisements are basically in the visitor publications (This Week; Japanese Guides of Hawaii; Oahu Drive Guide, etc.). These ads target the visitors and more of the D-Row. The special events (fashion shows, car shows) are geared towards attracting the local community, but also enjoyed by the visitors.

A-B-C Row Promotion

With reference to the A,B,C-Row promotion, Mr. Murayama stated the vendors will be purchasing stalls this week and he will be providing a report of its results at the next Board meeting.

Consultant

John Schoen, the consultant candidate, will be in Hawaii from May 2-5, 2008 to provide the Board with an analysis of the Swap Meet. On May 3-4, he will be at the Swap Meet all day, to observe the operations and speak with the vendors. He will also be free to meet with the Board and Centerplate May 2 & 5.

Special Meeting

The Board expressed the need to meet with Mr. Schoen and agreed to have a Special Meeting on May 5, 2008, 10:00 a.m., Conference Room.

Conference Call with Mr. Schoen (10:55 a.m.)

Mr. Murayama introduced Mr. Schoen (via telephone conference call), who briefly provided the Board with information of his background. He stated he has been the General manager of a 7-day, 15-acre Los Angeles Swap Meet and is also a member of the California Swap Meet Association for 14 years.

Mr. Schoen said by the information provided to him, he has a general idea of the present situation at the Swap Meet and is amazed that it has existed for over two years. He stated he has worked with similar projects in the past and has never failed to turn it around.

Member Inouye informed Mr. Schoen that due to a severe decline in attendance and revenue the Board suggested that Centerplate hire a consultant to analyze the situation and provide its recommendations for improvement.

In conclusion, Mr. Schoen said he will address the worse case scenario, with a long-term program and then work with the smaller issues. He said it is important for management to get the vendors on their side and gain their respect, and that they must first convince them that its main interest is to make them (the vendors) successful.

IV. UNFINISHED BUSINESS - DISCUSSION AND APPROPRIATE ACTION

A. Stadium Manager and Deputy Manager – Review and discussion on the "Goals and Objectives" of the manager and deputy manager of Aloha Stadium.

Manager Chan presented an updated copy of the Goals and Objectives (G&O). He stated there are long and short-term goals with no timelines. Many are in progress and near completion. He noted the engineer's position is still vacant; the building manager's position was recently filled (introduced Shelly Shoji); and the marketing/sales position is soon to be filled.

Health and safety projects are at the top of the priority list of capital improvements (CIP's), which will be based on the availability of funds. Some items need to be addressed immediately and we are working with Comptroller Saito and Central Services on those issues.

During his nine months of leadership, Manager Chan said he is very proud of his staff and commended them for accomplishments made during that short period of time. He is also appreciative (in the absence of an engineer) for the assistance he has received from Comptroller Saito regarding CIP funding and also for Deputy Attorney General John Dellera's assistance on legal matters.

Member Ahina suggested that an additional column be added to the G&O entitled "priority." She expressed the need to see how each task is filtered down to the individual staff members and also wanted to know how the G&O fits into the Strategic Plan. Deputy Manager Lois Manin further clarified the chart with reference to delegation of staff assignments. Concerning the progress of the Strategic Plan, Manager Chan said it has been a challenge keeping up with the day-to-day tasks of running the facilities, along with Deborah Ishihara's illnesses; they are moving forward in their goal to hire a consultant, which is an important component of the Strategic Plan.

Member Inouye noted that the list provided is more of a task list and once a consultant is hired they will eventually be able to delegate the work to the various sections.

Chairman Chong Kee assured the Board that management is completing many of the goals which coincides with the filling of the vacant positions.

Comptroller Saito stated it is important to differentiate the responsibilities of the Board and management. Management must be accountable for achieving their goals, and since the Board meets just once a month, there is not enough time to be involved with all of the details of the objectives. He assured the Board that they will work directly with Manager Chan on the budget issues; also that DAGS has been designated as the expending agency with reference to the CIP's.

B. Stadium Repair Work – Update on the progress of the stadium repair project.

Comptroller Saito stated they are working with Manager Chan on his highest priority list in determining what are CIP versus operating budget items. He explained that the operating budget is used for repair and maintenance projects and the CIP's basically cover longer-term bonded projects. Concerning the funding by the Legislature, he believes the Stadium will receive approximately \$20.0 million for CIP's. Presently at the Legislature, the Senate has \$25.6 million in its budget and the House has approximately \$5.0 million less than the Senate. For the \$20.0 million, Comptroller has directed his staff to prepare a detailed list of the projects to be implemented and of greatest priority is to make sure the stiffening of the bridges are done before the next Legislative session.

Member Klompus inquired about the lighting project. Comptroller Saito stated more funds are needed for that project.

V. NEW BUSINESS – DISCUSSION AND APPROPRIATE ACTION

A. Parking for UH Football Season – Discussion on additional parking stalls for the 2008 UH Football Season.

Chairman stated meetings have taken place with Mr. Donovan, the Honolulu Police Department – Pearl City Branch and management concerning parking for the 2008 University of Hawaii (UH) Football Season. The main topic discussed was to turn over the entire inner circle of parking to Koa Anuenue. This would be an increase from 2,100 to 3,500 stalls. Several reasons were stated:

- Alleviate traffic problems by moving the traffic into the stadium faster (color-coded placards displayed, reducing the need to collect money at the gates). Entry through Gates 1 (Main Gate) and Gate 2 (Kamehameha Hwy.)
- Enhance UH's revenue stream and increase their Scholarship Fund.
- Generates more revenue for Aloha Stadium

Manager Chan stated management is pleased that there is open dialogue with Mr. Donovan and his staff concerning this issue, but clarified that there are still several factors that need to be reviewed before a decision is made. The Stadium would still retain parking stalls for the working personnel, sponsors and the handicap.

Mr. Donovan stated they have been experiencing revenue shortfalls on an annual basis and in the spirit of partnership, he has been meeting with Manager Chan and Deputy Manin to discuss the parking issue. He did ask Koa Anuenue to come up with a proposal, which will be presented to Mr. Chan, who will then present it to the Board for review and approval.

Member Ahina stated she was concerned for the fans who could not afford the Koa Anuenue membership and inquired if that was the only way to obtain a parking stall in the inner circle. Mr. Donovan said that was correct, but that there would be approximately 4,500 parking stalls available in other areas of the stadium. Ms. Ahina also said due to the work by Manager Chan and his staff she felt the parking situation was a lot better the past season because the fans were listening to the radio and the strategic placement of the variable message signage (VMS) made it easier for them to arrive at their destination.

Member Inouye stated the present parking procedures are not normal and they lead to traffic situations both inside and outside the stadium. She supports direct parking which is the procedure used at many stadiums, but it proved to be unsuccessful and unsafe as reported by Manager Chan. Although the proposal by UH may not be affordable for everyone, it is the same rule for everyone and stated she is in favor of the change.

Mr. Donovan said the stadium has done a phenomenal job on the traffic and parking issue, as he experienced with the Sheraton Hawaii Bowl. He also wanted to make a

point that when less stalls become available and parking is pre-sold, traffic will literally be trouble-free. There is no action to be taken today. He will continue to work with Manager Chan who will in turn bring the matter back to the Board.

Chairman Chong Kee stated this was a step-by-step process and concluded that since the people will have a space to park and a pass to enter, they will probably arrive late and will not tailgate, which could alleviate the drinking problems. He feels there are many pluses for this new plan and also some negatives. He also stated if this plan is finalized, UH is planning to take the lead on informing the public through their public relations office. All inquiries would be directed to UH.

Member Klompus asked Mr. Dellera, since a decision might have to be made soon, would the Board have a problem voting on this matter at the May meeting. Mr. Dellera stated since there is no subcommittee, the Board would be free to vote on it at the next meeting.

Member Fong inquired about the revenue for parking. Mr. Donovan said they are looking at incremental income to the stadium over and above the existing \$5/stall on the additional 1,400 stalls and are awaiting word from Koa Anuenue of that amount. It would be a new revenue source for you management.

Manager Chan thanked Member Ahina and Mr. Donovan for their complimentary remarks and agreed that his staff has worked very hard to get things to where they are now, but at the same time, but there is opportunity for us to improve.

Member Klompus congratulated Manager Chan on his great attitude.

VI. APPROVAL OF EXECUTIVE SESSION MINUTES OF MARCH 27, 2008

ON A MOTION BY MEMBER FONG TO ACCEPT THE EXECUTIVE SESSION MINUTES OF THE MARCH 27, 2008 MEETING, AND SECONDED BY MEMBER KLOMPUS, THE BOARD UNANIMOUSLY APPROVED THE MOTION.

NEXT MEETING(s)

Special Meeting – May 5, 2008 Monthly Meeting – May 29, 2008

VII. ADJOURNMENT

11:35 P.M.

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KEVIN CHONG KEE

Chairman

Recorded by:

Diana Ho

Approval Date:

May 29, 2008